

JULY 2008

## 2008 Crop Year Buy-in for Disaster Assistance Programs

### Overview

On June 18, 2008, the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) was enacted into Public Law 110-246. This Act amended the Trade Act of 1974 to create five new disaster programs, collectively referred to as Supplemental Agriculture Disaster Assistance programs. Those programs include:

1. Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
2. Livestock Forage Disaster Program (LFP)
3. Livestock Indemnity Program\* (LIP)
4. Supplemental Revenue Assistance Payments (SURE) Program
5. Tree Assistance Program (TAP)

To be eligible for these programs, producers must purchase at least catastrophic risk protection (CAT) level of crop insurance for all insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage for non-insurable crops. Therefore, for the 2008 crop year only, producers who were eligible to obtain at least CAT level crop insurance or NAP, but did not, can "buy-in" to be eligible to participate in the applicable Supplemental Agriculture Disaster Assistance programs by paying the administrative fee that would have

been applicable if the producer had timely applied for CAT or NAP.

The 2008 Act allows producers to pay a "buy-in fee" at their administrative county FSA office by the deadline date of Sept. 16, 2008. The buy-in fees do not provide any CAT crop insurance coverage or NAP coverage but do allow producers to gain eligibility to participate in the applicable Supplemental Agriculture Disaster Assistance programs.

Supplemental Agriculture Disaster Assistance Programs Eligibility Requirements

### ■ SURE, TAP, and ELAP

Producers must obtain a crop insurance policy for each insurable commodity and NAP for each non-insurable commodity on the farm to be eligible for assistance under SURE, TAP, and ELAP.

In the 2008 Farm Bill; in general, the term "farm" means the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer. In the case of aquaculture, the term "farm" means all fish being produced in all counties that are intended to be harvested for sale by the eligible producer. In the case of honey, the term "farm" means all bees and beehives in all counties

that are intended to be harvested for a honey crop by the eligible producer.

### ■ LFP

Producers must timely obtain a crop insurance policy for insured crops or timely file the required paperwork for NAP for the grazed land.

Any insurance already purchased to meet the eligibility requirements for these programs must be at a minimum level of 50 percent yield coverage and at 55 percent of the insurable price.

### ■ LIP

The Livestock Indemnity Program (LIP) is exempt from the risk management purchase requirement and therefore, does not require a waiver.

### How to "Buy-In"

All producers who wish to become eligible in 2008 for the Supplemental Agriculture Disaster Assistance programs must visit their administrative county FSA office and fill out form CCC-752 and/or form CCC-753. The county offices will determine the appropriate buy-in fee required. The deadline for the buy-in is Sept. 16, 2008.



**“Buy-in” Fee**

For the 2008 crop year, the deadline to apply for crop insurance and NAP passed prior to enactment of the 2008 Farm Bill. As a result, when the requirement to obtain insurance or NAP as a condition of eligibility for SURE, TAP, ELAP and LFP was enacted, many producers would have been excluded from eligibility.

Therefore, for the 2008 crop year only, producers who do not have all crops on the farm covered with the risk management protection programs of crop insurance and/or NAP and wish to be eligible for the SURE, TAP, and ELAP in 2008, or wish to have grazing acres eligible for LFP in 2008, can do so by paying the applicable buy-in fee by Sept. 16, 2008. Payment of the fees will NOT provide crop insurance coverage or NAP eligibility.

**2008 Buy-in Fees for CAT and NAP Covered Crops**

- \$100 per crop, but not more than \$300 per producer per county, or \$900 total per producer, for all counties, less any previously paid fees for CAT and/or NAP.

These fees and limits apply separately to both CAT and NAP covered crops. Therefore, producers may be required to pay buy-in fees under both CAT and NAP to meet whole farm eligibility requirements for the new disaster programs of SURE, ELAP and TAP.

Producers who meet the definition of a Socially Disadvantaged, Limited Resource Producer, or

Beginning Farmer or Rancher as defined in section 2501 (e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)), do not have to meet this risk management purchase requirement and, therefore, are not required to pay the buy-in fee.

**Definitions**

*A Socially Disadvantaged farmer or rancher* is a farmer or rancher who is a member of a socially disadvantaged group. For entity applicants, all members of the entity must be socially disadvantaged. A Socially Disadvantaged Group is a group whose members have been subject to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

*A Limited Resource Producer* is a producer with both of the following:

- Direct or indirect gross farm sales not more than \$100,000 in both of the previous 2 years (as adjusted for inflation using Price Paid by Farmer Index as compiled by NASS); and
- Total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in both of the previous 2 years (to be determined annually using Commerce Department Data).

Limited Resource Producer status can be determined in an automated system using the Web site for USDA Limited Resource Farmer and Rancher Online Self Determination Tool at

<http://www.lrftool.sc.egov.usda.gov/tool.asp>. The automated system calculates and displays the adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

*A Beginning Farmer or Rancher* is an individual or entity who: (1) has not operated a farm or ranch for more than 10 years, AND (2) substantially participates in the operation. If the applicant is an entity, all members must be eligible beginning farmers or ranchers.

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# CURRY COURIER

TELEPHONE (575) 762-4769  
FACSIMILE (575) 763-0034

CURRY COUNTY FSA OFFICE  
918 PARKLAND DRIVE  
CLOVIS, NM 88101 4432

OFFICE HOURS  
**MONDAY - FRIDAY**  
**8:00AM – 4:30PM**

## USDA SERVICE CENTER FARM SERVICE AGENCY

Internet [www.fsa.usda.gov](http://www.fsa.usda.gov)

Volume 2008 Issue 3

September 2, 2008

**DISASTER BENEFITS** – To **maintain** eligibility for any **permanent disaster program** benefits during the **2009 year**, you must purchase the minimum of CAT (Catastrophic) coverage for all crops that you grow by the sales closing date. If insurance is not available for your crop through an insurance provider, you must purchase a NAP application through your local FSA office by the sales closing date. Keep in mind that sales closing dates are normally 30 days or more prior to the planting of the crop. This ensures that coverage will attach at planting, but it also means that you must pay particular attention to all sales closing dates throughout all counties that you farm in if you want to maintain eligibility to participate in most of the permanent disaster programs. You must be proactive and not depend on your county offices to remind you of sales closing dates in your area. The following are 2009 sales closing dates for current crops carried in New Mexico that affect Curry County:

September 30, 2008 – Barley, Oats (Winter & Summer), Rye, Triticale, Wheat for hay/graze  
January 31, 2009 – Alfalfa, Cucumbers, Grass for hay/graze, Mixed Forage, Pecans, Peppers  
February 1, 2009 – Onions, Spinach  
March 15, 2009 – Beans, Corn (NI), Dry Peas, Millet, Sorghum (haygrazer, etc)  
April 15, 2009 – Cantaloupe, Okra, Pumpkins, Watermelon

If you intend on planting a crop that is not listed above (and does NOT have coverage through an insurance provider), please contact the office as soon as possible so that the County Committee might recommend to the State Committee appropriate yields, prices, etc. It is possible to receive a waiver of fees if you are considered: Limited Resource, Socially Disadvantaged, or a Beginning Farmer. If you think you may qualify for one of these exemptions, please let us know before purchasing your NAP applications.

For 2009 **ONLY**, the sales closing dates for all crops that should have a NAP policy by September 30, 2008, have been extended until December 1, 2008. Fees for CAT and NAP have been raised from \$100 per crop, maximum \$300 per county, maximum \$900 all counties, to **\$250 per crop, \$750 per county, \$1,875 all counties**.

**CROPLAND COMPLIANCE** – Remember that maintaining weeds and erosion must be controlled on cropland for compliance with several different government programs. You should inspect cultivated and CRP acres to see if erosion or weeds need to be controlled. Out-of County owners should check with your operator or have someone inspect your acreage for erosion or weed control.

**CHANGES IN FARMING OPERATION** – Failure to notify FSA of changes in your farming operation may adversely impact your eligibility for USDA benefits. You should also be aware of Highly Erodible Land Conservation, Wetland Conservation, Payment Eligibility, and Payment Limitation provisions, which may impact your eligibility for program payments. Changes to your farming operation may include, but are not limited to, a change in the structure of your farming operation or changes in your rental agreement. Failure to timely report changes may result in ineligibility for a variety of benefits.

CURRY COUNTY FSA  
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OFFICIAL BUSINESS

**FARM PROGRAM STAFF**

*Rhonda Mitchell, CED*  
*Jessica Legleiter, TPT*  
*Kelly Lunsford, PT*  
*Debbie Ward, PT*  
*Jimmy Ware, PT*

**COUNTY COMMITTEE**

*Storm Gerhart, COC Chairman*  
*Vivian Jimenez, Advisor*  
*Lon Sultemeier, COC Vice-Chairman*  
*J L Wall, COC Member*  
*County Committee Regular Meeting Scheduled*  
*Monthly on Third Tuesday beginning 9:30 a.m.*

**FARM LOAN STAFF**

*Bob Ledingham, FLM*  
*LeAnn Gibbs, FLO*  
*Becky Padilla, FLOT*  
*Kim Dewbre, PT*

**OFFICE CLOSED** – The farm program side of FSA will be closed **every Tuesday** from 12:00 p.m. until 4:30 p.m. until further notice. This time will allow the staff to complete program responsibilities that will allow them to serve you better in the future.

**HOLIDAY CLOSURE** – The Clovis USDA Service Center will be closed on October 13 in observance of Columbus Day.

**MEETING CHANGES** – The Curry County Committee will move their September meeting from September 16 to September 23 so that the CED may attend National Farm Bill Training. There is a tentative statewide training scheduled for the week of October 20. If this will be the training date, the committee will determine what date to move their October 21 meeting at their October meeting if possible.

**DIRECT COUNTER-CYCLICAL PROGRAM (DCP)** – Sign-up for fiscal year 2008 DCP is on-going. If you have not completed your 'farm program' sign-up, you will have until September 30 to do so. Advance payments equaling 22% of the total farm payment may be requested at the time of sign-up. All final payments will be released in October.

Fiscal year 2009 will begin in late October. The new Farm Bill has some new options taking effect for fiscal year 2009. Regulations are currently in the process of being written for these options. Hopefully we will have more details by the beginning of sign-up!

**PAYMENT LIMITATION** – Payment limitation rules will be changed for fiscal year 2009 and future years. The biggest change will be to a 'direct attribution' and the removal of the '3-entity' rule. Current husband/wife rules will remain in effect. Adjusted Gross Annual Income limits have been changed as well. There are currently no new forms, etc. to collect this information, but expect that you will have to re-file payment eligibility criteria for 2009. The County Office will keep you informed!

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